



California Department of Education – Child, Youth and Family Services Branch

Child Development Division

MANAGEMENT BULLETIN

Main Office Number: (916) 322-6233

Subject: CALWORKS STAGE 2 AND STAGE 3 SET-ASIDE ALLOCATIONS FOR FISCAL YEAR 2000-2001	No.: MB 00-16
Authority: Fiscal Year 2000-2001 Budget Act	Date: August 2000
	Expires: June 30, 2001

ATTENTION: ALL CalWORKs STAGE 2 AND STAGE 3 CONTRACTORS

PURPOSE

The purpose of this Management Bulletin is to ensure all that CalWORKs former recipient families who “time out” of either CalWORKs Stage 1 or 2 are transferred into CalWORKs Stage 3 Set-Aside funding.

BACKGROUND

Current year Budget Act language limits new enrollments in CalWORKs Stage 3 Set-Aside to only those families who have exhausted their eligibility to Stages 1 and/or 2 after 24 months after leaving cash aid (i.e., have “timed out”). The Budget Act limits Diversion families’ initial eligibility for enrollment into CalWORKs Child Care to Stage 2, and clarifies that the 24-month period of eligibility for Stage 2 applies to Diversion families. Finally, it specifies that only families enrolled in Stage 3 prior to January 1, 2000, are exempt from meeting the “timing out” requirement.

The Administration has indicated that it is committed to fully funding subsidized child care for all CalWORKs Stage 1 and 2 families who “time out” this fiscal year. The Budget Act provides for an augmentation of Stage 3 if appropriation levels are insufficient to serve all eligible families. This language in the Budget Act will allow for rapid access to additional funds if needed for the enrollment and continued services of all “timing out” families this fiscal year.

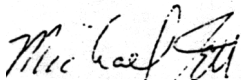
The California Department of Education has instituted a new reimbursement process for CalWORKs Stages 2 and 3 Set-Aside. Using the caseload and cost information that contractors submit for this process, Stage 3 Set-Aside contracts will be augmented to serve all eligible families. The Department will be utilizing the authority in the Budget Act to obtain any additional funds needed to continue services for families eligible for Stage 3 Set-Aside.

POLICY

For Fiscal Year 2000-2001, agencies are to transfer only those families eligible (i.e., former recipient and Diversion families that have utilized their 24 months of eligibility in Stages 1 and/or 2) into Stage 3 Set-Aside. Agencies are to ensure that all families eligible for CalWORKs Stage 3 Set-Aside funding are transferred to Stage 3 Set-Aside and that their child care continues. In addition, agencies are not to send Notices of Action to families who will be "timing out" of Stages 1 and/or 2 if the agencies' existing Stage 3 Set-Aside contract Maximum Reimbursement Amount appears to be insufficient to serve all timing out families. Stage 3 Set-Aside contractors should over-enroll their Stage 3 Set-Aside contracts. The new CalWORKs Stage 3 Set-Aside reimbursement system will ensure that sufficient funding is available to reimburse services provided to these families.

Note: CalWORKs Stage 2 contractors should not apply this direction to their Stage 2 contracts. Additional instruction on Stage 2 contracts will be forthcoming.

Please direct any questions you may have to your assigned Child Development Division Field Services Consultant.



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